



September 4, 2008

**Jeffrey D. Morgan**  
**President and CEO**  
**National Investor Relations Institute**

### **IR Web Sites - Striving to Balance Richness with Ease of Use**

NIRI recently conducted a review of the IR Web sites of the 100 largest publicly traded companies in order to derive a set of common and leading edge practices in online disclosure and investor service. Beyond providing an objective analysis of current practices, these survey results will also inform an upcoming revision of the NIRI Standards of Practice.

Completed in early July, the timing of this survey was particularly significant in light of the SEC's August release of its [revised interpretive guidance](#) on the use of company Web sites. Extremely relevant to NIRI members, this revision provides companies with compliance guidance regarding disclosure of material information on their Web sites as well as posting links to third party information, and should be considered required reading for investor relations professionals. NIRI will provide more information and analysis on this important development in the future.

It is clear that no single Web site format will satisfy the needs of all public companies. However, by viewing regulatory compliance satisfaction as a minimum baseline from which to build, and by relying on the central tenants of richness and intuitive ease of use, IR departments have the opportunity to improve their efficiency and the satisfaction of their Web site visitors by making their IR sites an engaging destination and indispensable resource.

#### ***Key Findings - Do's***

- Provide direct contact information for the IR team.
- Make corporate governance documents and information prominently available.
- Provide access information to enable investors to communicate directly with the Board of Directors.
- If linking to external resources (i.e. call transcripts, stock charts, etc.), be sure to identify them as outside the corporate site. You may wish to provide an intermediate screen that indicates the user will be redirected (see "Hyperlinks to Third-Party Information" in the SEC's recent revised interpretive guidance on company Web site use).
- Use design elements such as dynamically expanding tree structures (think Windows explorer without the folder icons) that provide the user with a sense of place and which previews the content in each section.
- Be careful of features that make too much "noise." For example, a Web site that launches audio or video of the CEO upon each visit regardless of the number of previous visits will simply annoy the user. Carefully consider how such "bells and whistles" are implemented by making them user-directed or, as in this example, having the audio/video play only upon the initial site visit.
- Use common names for standard pieces of information in order to make them more easily identifiable to users. Such menu items as "Computershare Investment Plan" may be less meaningful to the uninitiated than "Direct Stock Purchase Plan."
- Include a page for fundamentals. While this information is often available, it is generally difficult to find in document files rather than in a more easily accessible format.
- Use the IR Web site not only as a current snapshot, but also as an historical record of the company's performance and a roadmap for where the company intends to go (to the extent the company discusses the future).
- Use a linked table of contents at the top of a page if posting a long HTML document.

## Key Findings – Don'ts

- Don't use your FAQ as an information catch-all. Important messages can get buried there. For example, information on shareholder services warrants its own section.
- Avoid having the site launch new windows as a way of accessing content or functionality. This risks both annoying the user by cluttering their desktop, and creating discontinuity between the content which ought to be cohesive.
- Avoid the appearance of inactivity by presenting an empty events calendar. An alternative practice is to combine upcoming with past events onto one page.
- Carefully consider requiring users to register for certain aspects of IR sites as this may dissuade users from accessing these areas or avoid the site altogether.

## Discussion

In April through July 2008, NIRI developed a comprehensive list of elements that it found on IR Web sites and then populated a feature sheet categorizing the elements contained on each of the sites of the 100 largest publicly traded companies. The core elements that are ubiquitous across these sites include earnings press releases (92), stock quote/chart (92), transfer agent information (89) and webcasts (87). Although webcasts were the most common multimedia function found, these webcasts were mostly for very recent events, with far fewer companies offering an archive of past webcasts. Other items in the tools and functionality category include an investment calculator (62), historical lookup (77), e-mail alerts (82), dividend (80) and stock split (77) histories.

XBRL formatted documents were absent with the exception of the Microsoft site, as were industry-based KPIs (again, except on the Microsoft site, though Valero also included industry fundamentals). Additionally only Dell has a [blog](#) as part of their IR Web site, though IBM has its "[IR Viewpoint](#)" that is similar to a blog. Perhaps one of the most innovative IR Web site features is [Microsoft's Investor Central](#). One thing not found in this list of Web sites was a shareholder forum. Only one third (32) of companies surveyed provided e-Delivery sign up for shareholder materials on the site, an addition which could provide IR with a way to both improve service and increase efficiency.

NIRI discovered many unique and interesting features that were not specifically tracked but which are listed here for your consideration. A few of the companies required users to agree to accept terms or a disclaimer before serving up certain pages. Others required registration before sharing webcasts, which would most likely limit the number of individuals accessing these resources. Additionally, the following items of note were found along with a link where each feature can be found.

- Share-based cost calculator ([Lowe's](#))
- Ombudsman ([GE](#))
- Glossary (many including [Johnson & Johnson](#), [Walgreens](#))
- Stock ownership guidelines for officers and Board ([UTC](#), Microsoft)
- Mobile investor site ([Johnson & Johnson](#), [Cisco](#))
- CEO/CFO Certifications ([Pfizer](#), et al)

## Governance Nice-to-Haves:

- Stock ownership policy
- Political contributions policy
- Contribution data
- Director independence policy
- Executive compensation information
- A way to contact the Board

## Include in Frequently Asked Questions:

- Stock symbol
- Exchange
- Contacts
- Company history
- Cost basis
- Shares outstanding
- Classes of stock
- CUSIP Number

## Bells and Whistles:

- RSS Feeds
- Investment calculator
- Cost basis calculator
- Historical lookup
- E-mail alerts
- Blog
- Social Bookmarking (e.g. Digg, Furl, Del.ici.ous)
- Shareholder "briefcase"
- Mobile site
- Interactive charting
- "E-mail page" feature
- Text resizing

### **Conclusion**

Even for this echelon of companies that all have a wealth of resources, the application of data, Web design and site functionality came to a wide range of ends. Those Web sites that appeared most visitor-friendly during this review had a wealth of information but were also very easy to use. Clearly every IR Web site need not and should not include every conceivable element or piece of data, nor should features be added for their own sake to make a site feature-rich. The user should nevertheless be able to quickly and easily identify from the layout of the site what is and what is not available.

### **About the Project**

From April through July 2008, NIRI staff reviewed the IR Web sites of the one hundred largest publicly traded companies in the U.S. Every effort was made to accurately document the content available on each of the sites reviewed. However, the dynamic nature of the Web means that readers should consider this information a point-in-time snapshot.

Members may link to the [feature sheet](#) (Microsoft Excel file).  
[\[http://www.niri.org/gateways/surveys/0809IRWebsite.cfm\]](http://www.niri.org/gateways/surveys/0809IRWebsite.cfm)

NIRI values your feedback. Please send your research-related comments, questions or suggestions to: [research@niri.org](mailto:research@niri.org).

### **About NIRI**

NIRI is the professional association of corporate officers and investor relations consultants responsible for communications among corporate management, shareholders, securities analysts and other financial publics. NIRI's 4,400 members represent nearly 2,100 publicly held companies and \$5.4 trillion in stock market capitalization. For more information, please visit [www.niri.org](http://www.niri.org).

© 2008 National Investor Relations Institute  
8020 Towers Crescent Drive, Suite 250, Vienna, VA 22182  
Phone: (703) 506-3570 Fax: (703) 506-3571 Web site: [www.niri.org](http://www.niri.org)